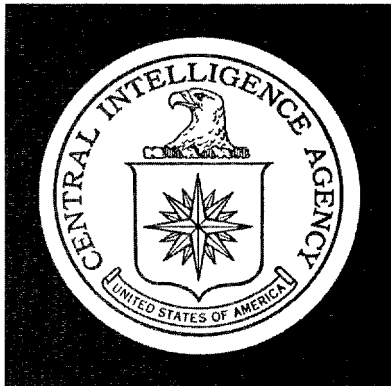


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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State Dept. review completed

AGENCY ARCHIVES, [REDACTED]

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(Information as of noon EDT, 10 August 1967)

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In the past they have primarily stressed efforts to expand their jungle forces; now they are apparently emphasizing the strengthening of their logistic support infrastructure in the villages.	

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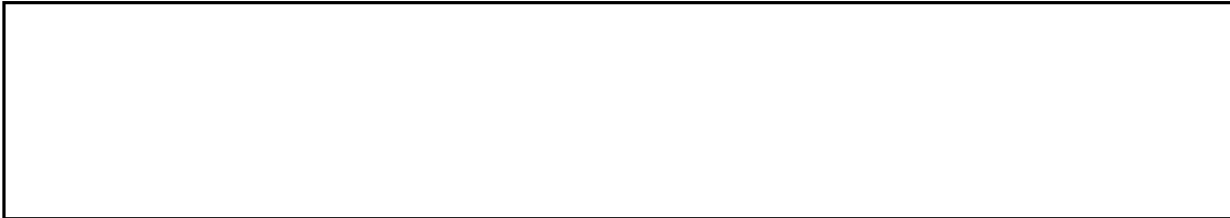
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The USSR in 1967 has ordered more consumer goods and equipment to produce them than was the case last year.

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Authoritative new information on the missions of Soviet missile submarines is significant primarily in omitting any reference to land targets for cruise-missile units.

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This project, announced in late July, is the most recent of several French-British projects that appear to be leading to increasing technological cooperation in Western Europe.

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WEST GERMAN INITIATIVES TOWARD EASTERN EUROPE 16
These have brought an agreement to exchange trade missions with Czechoslovakia, and a new joint production agreement with Rumania. A West German delegation is to visit Hungary later this month.

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Arab countries have so far made no progress in adopting unified positions in the wake of the Arab-Israeli war, despite talk of a new Saudi-Egyptian accord over Yemen. Meanwhile, Arabs in the Israeli-held West Bank of Jordan are growing increasingly restless. Recent remarks by Soviet officials strengthen other evidence that Moscow sees the need for compromise in the Middle East and is urging the Arabs to be more moderate. Since 5 June, about 47,000 tons of military equipment carried by 21 Soviet ships has either been delivered or is en route to Middle Eastern ports.

BIAFRANS INVADE NIGERIA'S MID-WESTERN STATE 21
Biafra's Ojukwu hopes this bold move will add to Biafra's international stature and perhaps stir up other Nigerian tribes who oppose Northern domination. General Gowon is moving troops out of Lagos to counter the move and has received new military equipment to help his war effort.

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VENEZUELAN COMPLAINT AGAINST CUBA IN THE OAS The 12th Meeting of Foreign Ministers from 22 to 24 September will consider Venezuela's case against Cuban intervention. It is unlikely, however, that the meeting will adopt any meaningful substantive measures.	27
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FAR EAST

The defiant commander of the Wuhan Military Region of Communist China has been dismissed, but the Maoist leaders have apparently had to make some concessions, perhaps as a result of pressure exerted by other military commanders. Three officials associated with Chou En-lai and the more moderate line have reportedly been returned to good graces after months of intensive political attacks by the radical Red Guards. Meanwhile, disorders and armed conflicts continue to spread throughout China, and controls have deteriorated further than at any time since the Communists seized power. Even provinces which have previously been portrayed as under firm Maoist control are now reporting armed clashes.

Ground action in South Vietnam continued at a relatively low level, although there were some sharp encounters in widely scattered areas. Successful allied sweep operations in the delta and the central coastal region have apparently disrupted Communist offensive plans and have shaken enemy morale. In the first week of the election campaign, the four major presidential candidates favored negotiations with Hanoi but rejected any possibility of talks with the National Liberation Front.

The trend toward increased regional cooperation in Asia took another step forward this week with the formation of the Association of Southeast Asian Nations. The organization, initially comprising Indonesia, Malaysia, the Philippines, Thailand, Ceylon, and Singapore, will emphasize economic, technical, and cultural matters. Although the new organization will expand and probably strengthen mutual relations in the area, long-standing suspicions, racial antipathies, and competition for leadership are likely to hinder its effectiveness.

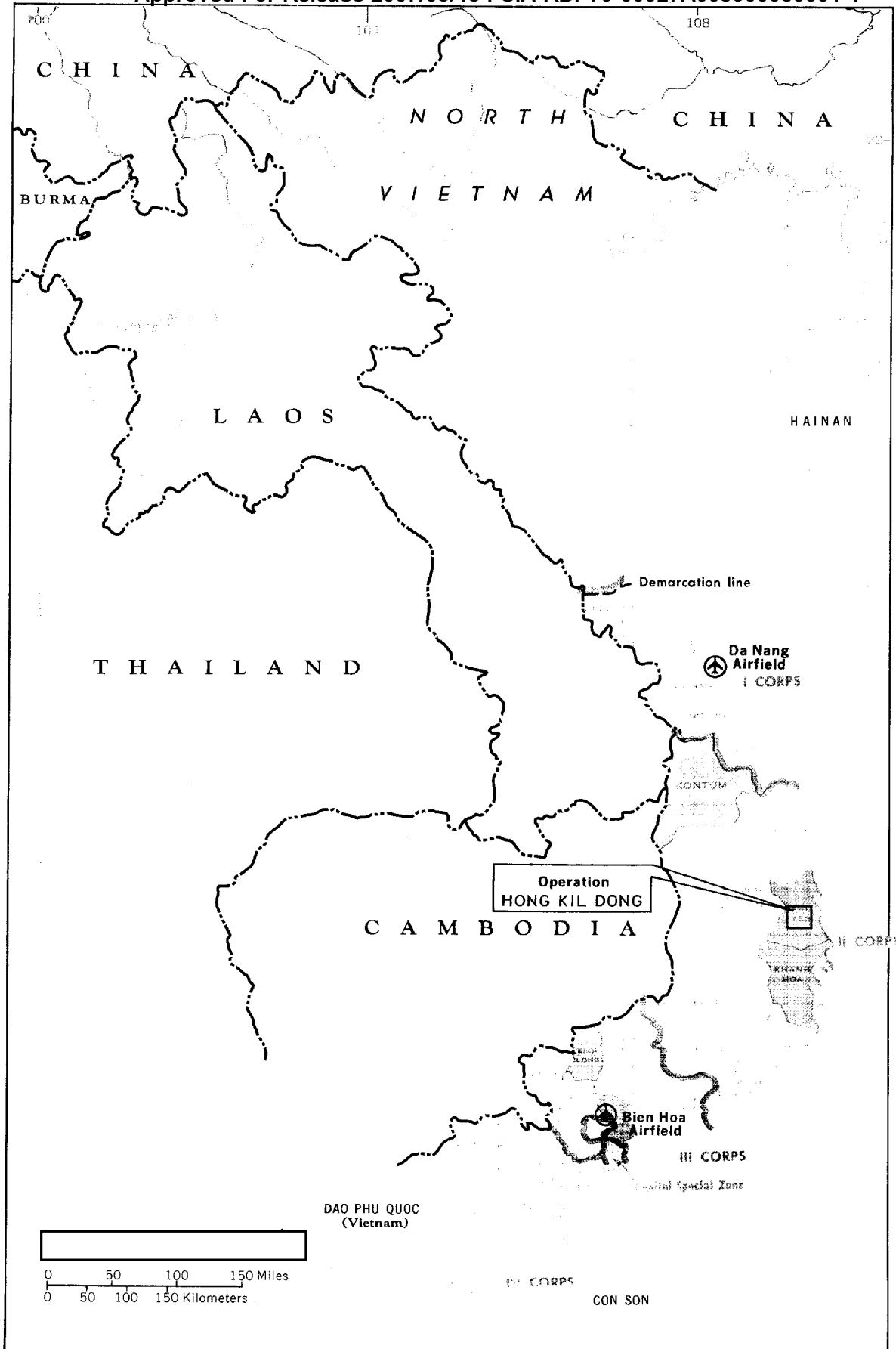
In Djakarta, anti-Chinese sentiment broke out again when members of two youth organizations attacked the Chinese Embassy and inflicted heavy damage. Peking retaliated by restricting the movement of Indonesian diplomats in China and conducting three days of massive demonstrations in front of the embassy.

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VIETNAM

With the exception of several sharp attacks in widely scattered sections of the country, Communist-initiated military activity continues at a relatively low level throughout South Vietnam compared with the past several months.

Despite the continuing intense battle preparations which have been noted throughout the country--such as redeployments, resupply efforts, and increased reconnaissance activities--the enemy apparently has elected to avoid major contact with allied forces for the time being except for occasional strikes on selected targets of opportunity such as allied field positions, lightly defended South Vietnamese outposts, and isolated US Special Forces camps, as well as well-planned ambushes of allied patrols and convoys.

This Communist strategy was borne out during the past week. A South Vietnamese Army (ARVN) battalion was engaged by an estimated two North Vietnamese Army (NVA) battalions in the remote highlands of northeastern Kontum Province. Also, a US Special Forces camp in western Binh Long Province near the Cambodian border was attacked, and a US helicopter landing zone just north of Saigon was ambushed. In addition, there were numerous small-scale attacks against South Vietnamese outposts and other strategic targets.

Recent intelligence reports, including captured documents, sug-

gest that some of the Communist main force units, as well as local forces, are experiencing increased difficulties in accomplishing their assigned missions. Some reports state that the Communists are steadily losing control of rice-growing areas along the central coast, forcing them to abandon planned military campaigns and resort instead to guerrilla and terrorist tactics.

Allied sweep operations are also affecting the over-all strategy of the Communists. For example, South Korean forces, currently conducting Operation HONG KIL DONG in central Phu Yen Province, have disrupted enemy offensive plans in both Phu Yen and Khanh Hoa provinces. More than 530 Communist soldiers have been killed thus far in this month-old sweep targeted against the 1,700-man 95th Regiment of the NVA 5th Division. Recently captured enemy documents have mentioned shortages of food and supplies.

Reports of similar problems for the Communists are being uncovered in the southern provinces of South Vietnam's III Corps. In addition to an increase in the number of deserters and defectors, numerous personnel have requested transfer or long-term sick leave, according to an enemy "situation report" captured in Bien Hoa Province.

Despite their increased difficulties, the Communists will probably attempt to counter some

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of their shortcomings and intensify their activities, particularly in the Saigon area. Disruption of the forthcoming elections is reportedly a top priority mission for the Communists throughout the country. Although previous attempts have been unsuccessful, the Communists will probably step up their intimidation of voters, candidates, and officials before the September elections. Enemy main force units may also launch dramatic attacks against large US installations such as the Da Nang and Bien Hoa airfields in order to undermine public confidence in the government.

Saigon Electioneering

The first week of official campaigning for South Vietnam's presidency was in many ways reminiscent of Western-style electioneering. The incumbents, Chief of State Thieu and Premier Ky, were accused of misusing their advantageous official positions to the detriment of the civilian candidates, although fairly restrained language was used.

Of the many campaign issues, the candidates' views on "ending the war" and negotiating a settlement with the Hanoi government

were given the most press publicity. No real variations on the "peace" theme--such as proposals for direct negotiations with the Liberation Front--have emerged so far and the issue has not generated much response among the general electorate.

A convention of the embryonic "All Vietnam Bloc" may foreshadow the evolution of overt political parties. Such parties would be coalitions of the numerous and diverse religious and political groupings that have characterized Vietnam in the past. The bloc consists of representatives from a Saigon-based group of civil servants, from factions of the Cao Dai and Hoa Hao religious sect, and from a splinter group of the nationalist VNQDD. The delegates, however, do not speak with any authority for their parent organizations and probably overstate their claim to large blocs of votes.

The bloc is being characterized to the press corps and the electorate as uncommitted to any specific presidential ticket. Its foundations were laid some time ago, however, by Premier Ky and his civilian political advisers.

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COMMUNIST CHINA IN TURMOIL

Steadily worsening disorders during recent weeks have brought China to the most serious crisis since the founding of the Communist regime in 1949. Violent conflict has been reported in every province and there are new indications that troops are becoming directly involved in efforts to restore order.

"paralyzed," and operation of the Taching oil field shut down. The posters claimed the situation was so serious that a special envoy was being sent from Peking to cope with it. There is as yet no evidence from other sources that operations at these facilities have come to a full halt, but production has probably been seriously affected.

These developments are accompanied by indications that Red Guard attacks on men close to Chou En-lai may be ending. According to a wall poster [redacted] on 1 August, Foreign Minister Chen Yi, Finance Minister Li Hsien-nien, and Petroleum Minister Yu Chiu-li have been found by the central committee to be "men of Chairman Mao's command." Additional posters observed on 8 August "confirmed" Chen as one of Mao's "inner circle" and "guaranteed" Li and Yu membership in Mao's "headquarters." All these men have been under intermittent Red Guard attack since January.

Posters observed in Peking [redacted] on 9 August reported violent conflicts in six Manchurian cities, in which troops were taking part. Production was said to be halted at the Fushun coal fields, the big Anshan steel complex was reportedly

This raises the possibility that Chou is a central figure in a developing "loyal opposition" composed of key government and military leaders--men committed to the concept of a powerful unified China and now willing to take

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a stand against Mao's "revolutionary" policies which are pushing the country toward anarchy. The Wuhan incident in late July may have given impetus to such a development.

Chen Tsai-tao, the Wuhan Military Region commander who defied Peking by seizing two key officials on a trouble-shooting mission from the capital, has been

dismissed and replaced. This action came more than two weeks after the two officials were released--apparently following intercession by Chou. The delay, and the fact that no additional punishment for Chen has been announced despite the seriousness of his offense, suggest that moderating pressure was exerted on his behalf--perhaps by other regional military leaders. [REDACTED]

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THAI INSURGENTS CHANGE STRATEGY

There are increasing signs that the Communist insurgents in northeast Thailand have shifted their strategy. In the past they have primarily stressed efforts to expand their jungle forces; now they are apparently emphasizing the strengthening of their logistic support infrastructure in the villages.

One reflection of the change is a drop in armed encounters with government security forces. The number of such incidents has been declining since the near record high in March. Forced propaganda meetings in the villages--a prime means of obtaining guerrilla recruits--have also decreased.

Food-gathering forays, meanwhile, have been stepped up, as the Communists attempt to overcome growing difficulties in procurement. The insurgents are also emphasizing selective terrorism, including assassinations of village officials and informants, and other acts of intimidation designed to strengthen their control in the villages.

[redacted] the insurgents are

having greater morale problems 25X1
as a result of supply shortages 25X1
and fear of government security
patrols. [redacted]

[redacted] Some insurgent forces
have recently been reorganized 25X1
into smaller groups in conjunction with the expansion into isolated areas near existing base areas, apparently to facilitate food-gathering activities.

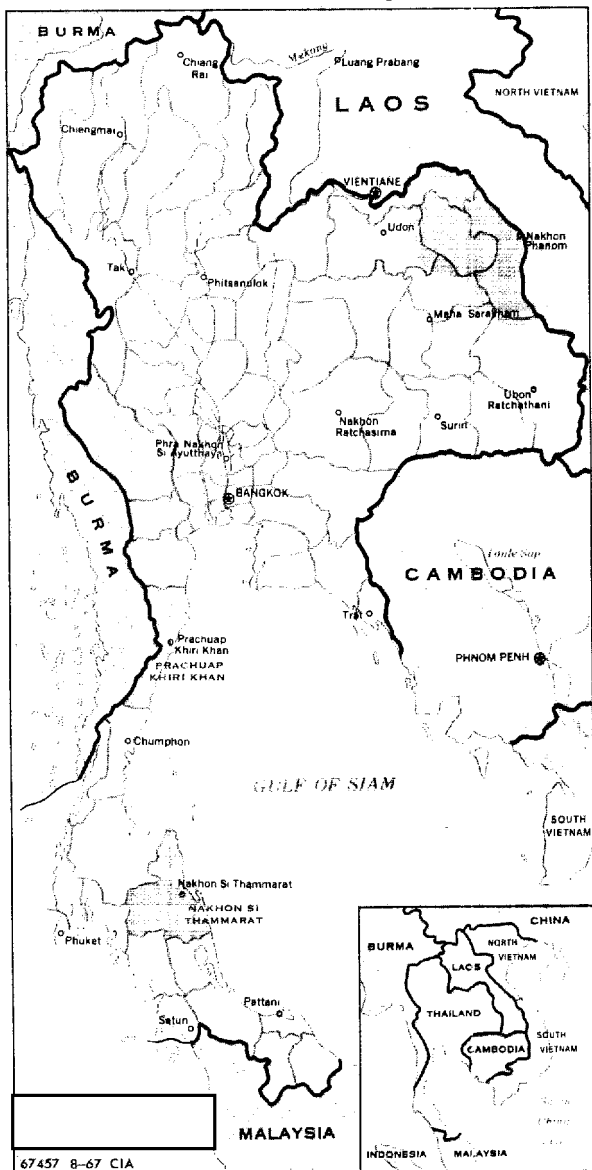
In mid-southern Thailand, meanwhile, there has been an increase in Communist-initiated armed encounters in Nakhon Si Thammarat and Prachuap Khiri Khan provinces, some apparently provoked by a government sweep operation. Communist ambushes in recent weeks have caused a substantial number of government casualties. In early August, terrorists killed or wounded all of a ten-man patrol, including the provincial deputy commander. 25X1

[redacted] an insurgent

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THAILAND - Areas of Insurgent Activity



force of at least 200 is operating in Nakhon Si Thammarat and 400 in Prachuap Khiri Khan and adjoining provinces to the north. The large size of these forces suggests that the police sweeps conducted in this area earlier in the year were of limited effectiveness.

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EUROPE

There is further evidence that Moscow sees the need for compromise in the Middle East and is urging the Arabs to be more moderate. Ambassador Fedorenko at the UN told his French counterpart last week that Russian policy in the future would link Israeli withdrawal to an end to the state of Arab belligerency. The Soviet press has accused Arab "super-patriots" of hurting their own cause with "hysterical appeals."

President Tito is also working for moderation. He arrived in Cairo on 10 August with his own peace proposal. By its terms, the Israelis would withdraw to their 5 June borders in return for a security guarantee from the great powers or the Security Council and an end to the state of belligerency. Tito will probably also visit Iraq and Syria. Tito's prospects for success are dimmed by the lack of Arab unanimity on a settlement with Israel.

There are rumors that President Podgorny interrupted his holiday on the Black Sea to pay a call on Rumanian party boss Ceausescu. The rumors may be true. The Soviets would like very much to get the Rumanians to join in some demonstration of Communist unity as their 50th anniversary draws near.

West German - US relations will be reviewed next week during Chancellor Kiesinger's visit to Washington. Bonn's plans to reduce its defense spending, and the nonproliferation treaty will be high on the agenda.

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SOVIET PURCHASES FROM THE INDUSTRIAL WEST

Soviet orders for Western plant and equipment in the first half of 1967 amounted to about \$250 million and for the whole year are expected to total at least twice that. Last year's orders reached a record high of over \$800 million, about half of it due to the large-scale automotive deals with Fiat and Renault. Purchases of some automotive production equipment continue this year. In contrast to 1966, however, there have been no orders for equipment for the paper and pulp and electric power industries.

A substantial share of the equipment Moscow has purchased has been for the production of consumer goods. Orders from France include over \$50 million worth of textile-finishing machinery, \$10 million worth of shoe manufacturing equipment, an \$8-million refrigerator plant, and a \$4.5-million color TV pilot plant. The UK will supply a synthetic-fiber plant valued at \$26 million and beet-sugar processing equipment worth \$24 million.

The USSR, in preparation for its 50th anniversary celebra-

tion, has imported more consumer goods in 1967 than it had by this time last year. During the first half of this year, the USSR bought for immediate delivery more than \$40 million worth of clothing including shoes from Britain, France, and Italy. These purchases exceed the value of total Soviet imports of clothing from all Western Europe during 1965.

The USSR has discussed the purchase of additional automotive production facilities with firms in the UK, Japan, and West Germany, including a British offer of a bus-manufacturing plant. Soviet officials also continue to negotiate with Western firms for chemical plants to produce plastics, synthetic fibers, and fertilizers and are considering deals with Western shipbuilders, mainly for large fish processing ships. Talks are still under way with Japanese firms on the credit purchase of \$150 to \$200 million worth of Japanese pipe and liquefaction equipment to be used to supply Japan with natural gas from Sakhalin Island.

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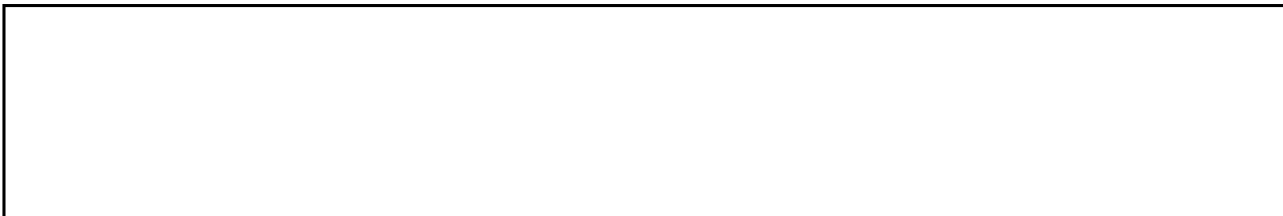
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THE ROLES OF SOVIET MISSILE SUBMARINES

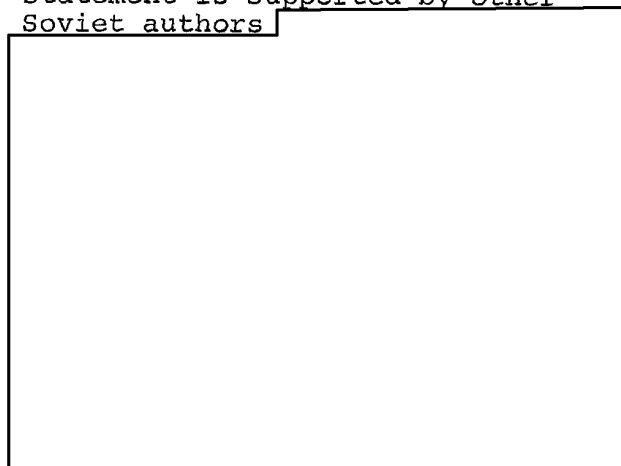


in addition to a primary mission of destroying enemy shipping, Soviet cruise-missile submarines had a secondary role of hitting land targets. It has always been assumed that land targets represent the only mission of ballistic-missile subs.

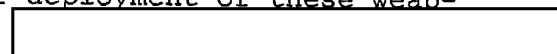
In a recent naval journal, Vice Admiral V. A. Sychev, chief of the Rocket and Artillery Directorate of the Soviet Navy, indicated that cruise-missile units have only the single mission of sinking ships. He drew a clear distinction between cruise-missile submarines, "which have homing missiles for the destruction of enemy ships," and ballistic-missile submarines, which can destroy "any land targets on the territory of an aggressor."

Admiral Sychev has played a leading role in Soviet naval

missile development. It is unlikely therefore that, if cruise-missile submarines were to be used against land targets, he would have failed to mention it. His statement is supported by other Soviet authors



Cruise-missile submarines, moreover, have a sizable task in combating US and allied aircraft carriers. It is therefore unlikely that these units could be spared for land targets, except perhaps on a contingency basis. Land-based and submarine-launched ballistic missiles are much better suited for these missions, and the Soviets are expanding their deployment of these weapons.



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THE AIRBUS--AN UPSWING IN ANGLO-FRENCH COOPERATION

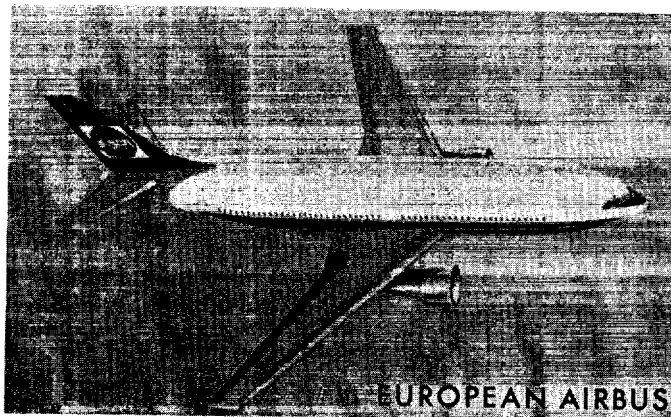
After more than two years of deliberations, Britain and France have agreed to develop a large jet airbus jointly with West Germany. This project, announced in late July, is the most recent of several Anglo-French projects that appear to be leading to increasing technological cooperation in Western Europe. The growing complexity and cost of modern aircraft and weapons systems enhance the attractiveness of such cooperation despite the unhappy history of many joint European projects of the past and the political and economic problems they raise.

The airbus is to provide low-cost passenger service throughout Europe on both feeder lines for intercontinental trans-ports and on other important routes in the 1,200- to 1,400-nautical-mile range. It is to be a twin-engine jet airliner capable of carrying 250-300 passengers and is scheduled for service in about 1973. The three countries are just entering the first design stage and a final decision on whether to produce the plane will not be made until next July, when the ministers of the three countries review the progress on design work up to that time.

Britain will bear the heaviest financial load, paying 49 percent of the estimated \$532-

million cost of research and development. That figure probably will rise substantially before the airbus is put into service. The UK's investment is to be divided about equally between development of the engine and of the airframe. France and West Germany--paying 30 and 21 percent of the development costs, respectively--will make much greater investments in the airframe than in the engine.

Other joint British-French projects under way include the Concorde supersonic transport, the Jaguar trainer and tactical support aircraft, and the Martel air-to-surface missile. The first prototype of the Concorde--which has been under development since 1962--is to fly in 1968 and service is scheduled to begin sometime in the early 1970s. The twin-engine, Mach 1.7 Jaguar is scheduled to fly next year and to be in production in 1970 or 1971.



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Production of the television-guided version of the Martel missile being developed by the British and the antiradar version being developed by the French probably will not get under way before 1969.

Another joint effort, the Anglo-French development of a swing-wing military aircraft, recently collapsed when France withdrew. 25X1

WEST GERMAN INITIATIVES TOWARD EASTERN EUROPE

Bonn has again moved forward in its campaign to establish closer ties with Eastern Europe. On 3 August a trade and trade mission agreement with Czechoslovakia was announced. The same day Foreign Minister Brandt went to Rumania for wide-ranging talks. A West German delegation is due in Budapest late this month, to sound out the Hungarians on establishing diplomatic relations.

High West German officials believe they have to some small extent overcome the strong East German and Soviet obstructionism that arose after West Germany and Rumania established diplomatic relations in January.

The Germans had hoped for diplomatic relations with Czechoslovakia, but settled for the exchange of trade missions, the same level of representation they have had with Poland since 1963 and with Hungary and Bulgaria since 1964. West German attempts at that time to induce the Czechs to set up official relations foundered on deep-seated political differences,

including the issue of the validity of the 1938 Munich Pact.

The Czechs after some hard bargaining agreed that the German trade mission could issue visas to all Czech applicants, not just businessmen, but refused to allow mission officials access to the Foreign Ministry. The two sides agreed to exchange letters which will meet the West German requirement that the agreement apply to West Berlin. Brandt's visit to Bucharest reciprocated the visit by Rumanian Foreign Minister Manescu to Bonn in January. Shortly after Brandt's arrival, an agreement was signed providing for joint production projects. A communique at the end of the talks indicated a considerable measure of agreement on political topics. In a public interview, Brandt said that he had made it clear that the existence of the Atlantic Alliance beyond 1969 is of "central importance" and that one could not proceed from what he termed the Rumanian assumption that NATO and the Warsaw Pact were of equal significance and could simply be dissolved.

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MIDDLE EAST - AFRICA

The Arabs have made no progress in adopting a unified position concerning some settlement with Israel. The Arab foreign ministers' conference, which ended on 5 August, apparently achieved nothing and deferred all decisions to a summit meeting, reportedly scheduled for 29 August. The Egyptians were surprisingly moderate, and the Lebanese and Jordanians called for some accommodation with Israel. The Syrians remained hawkish, and the Iraqis asked for a total embargo of oil to all Western countries for three months. According to press reports, Jordan's King Husayn is close to a decision to negotiate unilaterally with the Israelis.

Greek coup leader Papadopoulos paid a surprise visit to Cyprus this week for discussions with President Makarios on subjects of "common interest." Papadopoulos is known to be concerned about the continuing problems of leftist influence on the island and increasing opposition to enosis (union with Greece). He may therefore be interested in getting a personal reading on Makarios' view toward the Greek-Turkish dialogue and the possible resolution of the Cyprus problem itself.

The war in Nigeria has taken a new twist with the invasion by Biafran forces of the neighboring Mid-Western state on 9 August. The move caught federal leader Gowon by surprise and was probably intended to relieve federal pressure from the north and the southern coast of secessionist Biafra.

In the Congo, mercenary leader Schramme has laid down his terms for a settlement with the Mobutu regime. Among other demands, Schramme is asking that Tshombé be freed and given a post in the Kinshasa government. Mobutu, who has practically no chance of defeating the mercenaries militarily, will find it hard to stomach such demands.

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THE ARAB-ISRAELI SITUATION

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Arab countries have so far made no progress in adopting unified positions in the wake of the Arab-Israeli war, despite talk of a new Saudi-Egyptian accord over Yemen. Meanwhile, Arabs in the Israeli-held West Bank of Jordan are growing increasingly restless.

Khartoum Conference

The Arab foreign ministers' conference in Khartoum, which ended on 5 August, apparently achieved next to nothing, and deferred all decisions to a full summit meeting. No official date for the Arab summit has been announced, but Cairo newspapers are saying 29 August.

The extent of the split between radical and moderate Arabs at Khartoum may be measured by the fact that the ministers were unable even to agree on an agenda for the summit. They expect to draft one at another meeting in Khartoum on 26 August. A meeting of Arab finance, economy, and oil ministers in Baghdad, meanwhile, is being planned for 15 August.

Saudi-Egyptian Plans on Yemen

The details of Egypt's much-publicized offer to reactivate the 1965 Jidda Agreement on Yemen are unknown.

The Saudis presumably fear that the Egyptians are maneuvering for the removal of pressure on their troops in Yemen and for propaganda advantage, and that Cairo has no intention of withdrawing yet.

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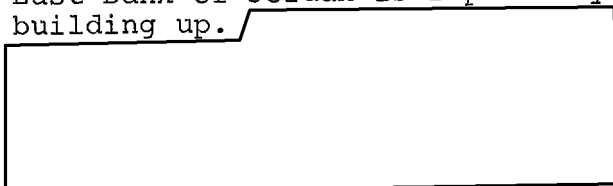


Israeli-Occupied Areas

Arab resistance on the West Bank of Jordan is apparently growing more organized. A one-day shopkeeper strike in Jerusalem on 7 August was almost 100 percent effective. The Israeli response has been cautious; certain shops thought to belong to ringleaders were closed, and two Arabs alleged to have organized the strike were arrested. In addition, a bus line which participated in the strike was suspended. On 8 August, some 30 Arab saboteurs, said to be members of the Syrian-based Fatah terrorist organization, were rounded up in the Bethlehem and Hebron areas.

A marked feeling of uneasiness, tension, and fear is apparently taking hold among Arab refugees in Gaza, and a trend toward moving to either the West or East Bank of Jordan is reportedly building up.

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Since Israeli Defense Minister Dayan's unofficial inquiry in mid-June, the Israeli Government has not raised with UN officials

the question of a wholesale transfer of Gaza refugees to the West Bank.

Soviet Policy

Recent remarks by Soviet officials strengthen other evidence that Moscow sees the need for compromise in the Middle East and is urging the Arabs to be more moderate.



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Soviet UN delegate Fedorenko told his French counterpart on 3 August that Soviet policy in the future would link Israeli withdrawal with the ending of the Arab state of belligerency. Similarly, Soviet President Podgorny has been telling various foreign diplomats that the right of free passage through the Gulf of Aqaba would be "no problem."

At the same time, the Soviet press is giving a more moderate cast to the official Arab position, while accusing Arab "super-patriots" of hurting their own cause with "hysterical appeals." Pravda noted on 3 August that the Arab refusal to accept the existence of Israel has prevented negotiations on problems left by the Middle East war.

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Soviet propaganda has also shown Moscow's interest in the reopening of the canal. Moscow has attempted to justify the closure as a development stemming from Israeli occupation of the canal's eastern bank and from an Israeli-Western desire to divest Egypt of its sovereignty over the canal. In contrast, Moscow vigorously supports the oil embargo as an instrument of Arab pressure on the "imperialists."

This diplomatic and propaganda line is partly meant to convince Western officials of Moscow's reasonable intentions. Nevertheless, Moscow probably is genuinely interested in working for the reopening of the Suez Canal and seems to be exploring the prospects of using its show of reasonableness as a bargaining point for at least a partial Israeli withdrawal--a primary goal of the USSR.

In addition, Egypt's loss of approximately \$18 million a month in canal tolls--one quarter of Egyptian foreign exchange earnings prior to the war--is a major consideration for the Soviets.

this loss would mean more Soviet aid and more hardship on the Soviet people. Moreover, the USSR itself has an interest as a major user, having sent more than 1,400 tankers and cargo vessels through the canal in 1966.

Soviet Military Aid

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There is no additional information on the Soviet-Iraqi arms negotiation. Iraq's defense minister, who has been in Moscow since 21 July possibly to try to buy additional aircraft and tanks, left on 8 August. A Syrian military delegation headed by the Syrian defense minister arrived in Moscow on 7 August.

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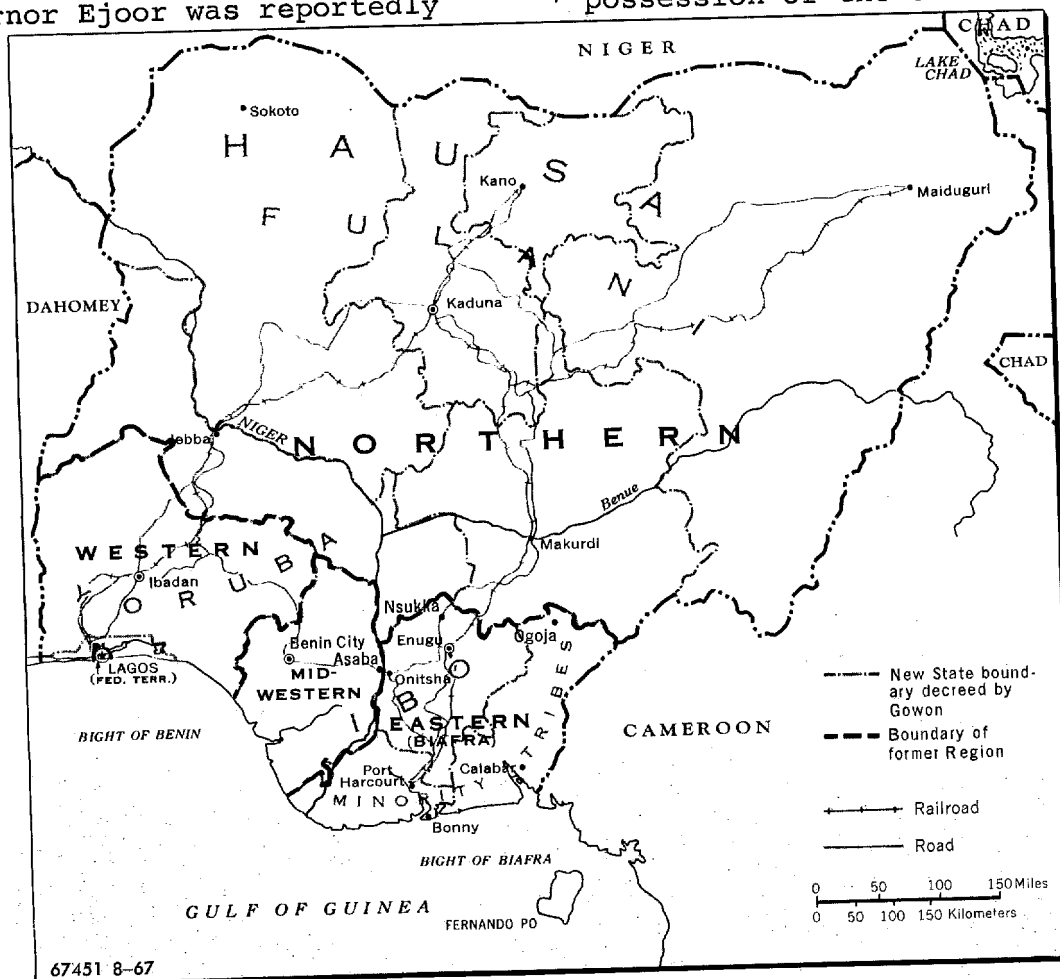
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BIAFRANS INVADE NIGERIA'S MID-WESTERN STATE

Biafran troops crossed the Niger River into Mid-Western Nigeria at two points on 9 August and swiftly gained control of the capital, Benin City, and other key towns. The invaders acted in collusion with Mid-Western officers of the federal army forces in the state. Most of these were of the Ika Ibo tribe, a branch of the dominant Ibo tribe in Biafra. Mid-Western Governor Ejor was reportedly

captured by these men but his whereabouts are unknown.

This operation, which coincided with the first Biafran air attacks in the Lagos area, gives Biafra for the moment at least control of most of the food-producing Mid-West, including its ports. In addition, Biafran Governor Ojukwu now can claim possession of the extensive oil



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fields and installations in the Mid-West, where the only present US producer, Gulf, has its holding.

Ojukwu is probably hoping his bold initiative will bring about greater international support for Biafran independence, as well as relieving the federal pressure on his borders. He also appears to be trying to influence the Western state's Yoruba tribe to join Biafra in the civil war--one report indicated the invasion force would move on to Ibadan, the Western capital.

Thus far, federal leader Gowon seems inclined only to contain the Biafran force in the Mid-West while continuing to focus on the fronts inside Biafra. He has moved one battalion out of Lagos to make contact with the invaders and is placing another newly formed battalion composed mostly of Yorubas along the border with the Mid-West.

The Nigerian Air Force has just been augmented by two Czech jet trainers fitted to carry either bombs or rockets. [REDACTED]

[REDACTED]

[REDACTED] Lagos has also received by air a number of antiaircraft guns from London, as well as needed ammunition supplies.

Biafra, on the other hand, is having great difficulty in arranging transportation for military equipment apparently already purchased. Ojukwu is nearly out of foreign exchange and has appealed to all Biafrans with bank accounts overseas to make their foreign exchange available to his government.

The general economic situation in Biafra is probably no worse than could be expected after more than two months of blockade and one of civil war. Food supplies will be greatly increased by the seizure of the Mid-West, as well as reopening that market to some Biafran manufactured goods. Most industries dependent on imported raw materials, however, have had to shut down and most prices have risen considerably. [REDACTED]

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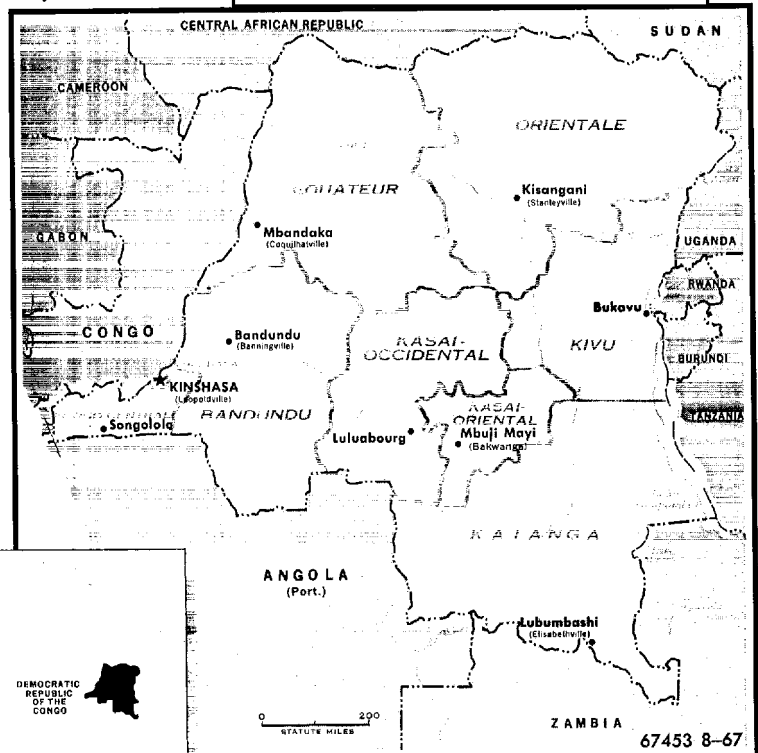
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CONGO MERCENARIES MOVE INTO BUKAVU

The Congo mercenaries captured Bukavu on 8 August. This caused panic in areas to the south when it was rumored that the group would move on to Katanga. British and American officials in Lubumbashi (Elisabethville) secretly made plans to evacuate their nationals. The Rwandans, convinced that the mercenaries were headed their way, mined the bridges across the border.

troops would harass and probably kill many Congolese as well as some of the approximately 50 whites remaining in the area. This consideration might lead the mercenaries to take the Bukavu whites into "protective custody."

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The mercenaries might choose to stay in the city itself, where they have been able to recruit locals for their ranks. Aside from a friendly populace, Bukavu's attractions include a pleasant climate and access to the border.

If the mercenaries moved on, moreover, there is little doubt that returning Congolese

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WESTERN HEMISPHERE

The Latin American Solidarity Organization (LASO) conference in Havana--extended beyond its scheduled 8 August windup because of disagreements between pro-Soviet Communist delegates and pro-Castro militants--continued to hold center stage in the hemisphere this week.

The early ostensible unity among delegates to the LASO meeting was shattered when Cuba pressed its demands that the conference endorse the supremacy of "armed struggle" revolutionary tactics and pushed through a resolution condemning by implication the USSR's trade and aid policies toward Latin America. The results of the conference, however, are unlikely to interfere with Soviet diplomatic and commercial efforts in the hemisphere or to cause a decrease in Soviet assistance to Cuba.

Panamanian opposition to the proposed new canal agreements with the US has become so widespread that ratification may not be sought until after the May 1968 presidential elections.

In Bolivia, a new cabinet which carefully balances representation for nearly all nonopposition parties has finally been announced, after weeks of rumors that President Barrientos was maneuvering to this end. There have been no significant new developments in Bolivia's insurgency problem.

Brazilian security officials, however, have arrested at least 12 persons and are investigating an alleged terrorist movement discovered in the state of Minas Gerais. The movement may be linked to Leonel Brizola, a Brazilian extremist and inveterate plotter who is in exile in Uruguay. In the latter country, a week's truce between the Communist-led national labor confederation and the government temporarily halted a period of increasing strike activity, but a Communist leader predicts that labor agitation will begin again quickly unless the financially hard-pressed Gestido government makes major concessions to the workers.

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DISSENSION AT LATIN AMERICAN SOLIDARITY CONFERENCE

The early ostensible unity between pro-Castro and pro-Soviet Communist Party delegates to the Havana-based Latin American Solidarity Organization (LASO) conference was shattered this week when Cuba pressed its demands for the supremacy of "armed struggle" as the only valid course to achieve "national liberation" and pushed through a resolution condemning by implication the Soviet Union's trade and aid policy toward Latin America.

Pro-Moscow Communists probably realized from the outset that they would be outnumbered by Castroites in Havana. They were probably unaware, however, that the Cubans would gerrymander their voting strength by ruling that a country delegation is allowed only one vote which must be arrived at by consensus. Under this arrangement delegations like Chile's which were evenly divided between pro-Soviet and pro-Castro members, could never arrive at unanimity and were forced to abstain on controversial issues.

Moreover, Cuban propaganda centered from the beginning on the conference slogan, "the duty of every revolutionary is to make revolution." This propaganda was pointed up by the election of Ernesto "Che" Guevara as honorary conference chairman "in absentia." Delegates met with a large group of Viet Cong observers who were cited as having initiated success-

ful "armed revolution" against the US. Black-power advocate Stokely Carmichael harangued the delegations on everything from "Yankee imperialism" to his views of "Abraham Lincoln."

Most important, the Cubans outmaneuvered the pro-Moscow Communists by basing their advocacy of "armed struggle" on the tenet that "reactionary oppression" must be met with "patriotic revolutionary violence." Recently captured "North American insurgents" were displayed as "proof" of US activities against Cuba. Because of this reasoning and these revelations, even the most orthodox of the pro-Moscow Communists were forced to admit that "armed struggle" would probably have to be used ultimately in order to achieve political power.

The first real disagreement did not surface until Tuesday night when Armando Hart, organizational secretary of the Cuban Communist Party central committee and chairman of the Cuban LASO delegation, initiated a resolution condemning the policy of certain "socialist" countries that give credits and technical aid to "dictatorships" and "oligarchies" in Latin America. The Soviet Union and several East European countries fit this category since they accelerated their economic activity in Latin America in 1966 and have continued their effort this year.

The resolution firmly states the Cuban conviction that LASO

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should "coordinate and give impetus to the struggle against US imperialism and other oppressive factors in Latin America." It also restates views expounded by Fidel Castro during a speech on 13 March in which he condemned the aid and trade policies of the "socialist" countries toward Latin America. Moreover, by directly challenging the Soviet Union and its adherents in the Western Hemisphere, Castro through LASO, is asserting his advocacy of "armed struggle" as the only valid course to achieve "national liberation." The alleged Cuban retort to pro-Soviet Communists who threatened to walk out of the conference if the resolution passed was "the doors are wide open...the time for true

revolutionary definitions has come."

Moscow failed to persuade Castro not to formalize Soviet-Cuban differences by any such overt display--Kosygin's visit to Havana in June was part of the effort. Even so, the Soviets will continue to gloss over these differences in public while they give private encouragement to their friends in the Communist world to undercut Castro's radical policies. The results of the conference are unlikely to interfere with Soviet efforts to build diplomatic, commercial, and other contacts with Latin America. On the other hand, neither are they likely to cause a decrease in Soviet economic and military assistance to Cuba.

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VENEZUELAN COMPLAINT AGAINST CUBA IN THE OAS

The Organization of American States (OAS) has set 22-24 September as the dates for considering Venezuela's complaint against Cuban intervention. This meeting--officially the 12th Meeting of Foreign Ministers--is expected to condemn Cuban actions in Latin America, in particular the landing of arms and men in Venezuela early in May. It is unlikely, however, to agree on any substantive action against Cuba.

Even the members most in favor of a strong anti-Castro

stand do not see what meaningful measures can be implemented. Most of the feasible actions--such as breaking diplomatic relations and ending trade--were adopted in 1964, after an arms cache linked to Castro was found on a Venezuelan beach.

Caracas has proposed that next month's meeting designate a three-man ministerial committee to visit European countries and ask them, in the name of the OAS, to cease their trade with Cuba. There is little support for this

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idea, however, as many countries believe that it would only demonstrate the impotence of the OAS.

The preliminary meetings, at the ambassadorial level, set up a special investigating committee that went to Venezuela, interviewed a captured Cuban lieutenant,

and looked into the circumstances of the landing. Venezuela had hoped that other countries, particularly Colombia, Guatemala and Bolivia, that have Castro-inspired subversive problems, would also present evidence, but none has been forthcoming. [REDACTED]

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TREATY RATIFICATION IN PANAMA MAY BE POSTPONED

Opposition to the proposed Panama Canal treaties may cause President Robles to defer ratification until after the presidential election next May.

Mounting criticism of the treaties by the Foreign Relations Council, cabinet members, pro-government as well as opposition political parties, and a clique of key officers within the National Guard already has caused Robles to decide not to push for early ratification by a special session of the National Assembly. Robles probably would also be reluctant to hazard ratification in the overly charged pre-election atmosphere of the regular assembly session scheduled for 1 October to 31 January.

Foreign Minister Eleta has told the US ambassador that 28 proposed revisions in the drafts

have originated within the Foreign Relations Council--an informal advisory body appointed by the president. The council opposes signing of the treaties until it has had time to discuss them and to seek further changes. [REDACTED]

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Meanwhile, there are indications that two cabinet ministers--presidential aspirants and leaders of rival factions within Robles' Liberal Party--may be withholding support of the treaties in order to gain the President's backing as a candidate of the government coalition. The onset of active campaigning this fall can be expected to encourage other self-seeking politicians to use the treaty issue to advance their own political fortunes. [REDACTED]

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